

ND STATE BONDING FUND

State Investment Board Balance Sheet As of 6/30/2005

	As of <u>6-30-05</u>	As of <u>6-30-04</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 659,209	\$ 1,148,938
INTERNATIONAL EQUITIES	269,497	379,307
DOMESTIC FIXED INCOME	1,406,932	1,852,389
INVESTED CASH (NOTE 1)	<u>254,366</u>	<u>367,920</u>
TOTAL INVESTMENTS	2,590,004	3,748,554
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	30,157	26,656
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	562,973	756,101
DUE FROM OTHER AGENCIES (NOTE 3)	<u>380</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 3,183,514</u>	<u>\$ 4,531,311</u>
LIABILITIES:		
ACCOUNTS PAYABLE	1,842	2,475
SECURITIES LENDING COLLATERAL (NOTE 2)	562,973	756,101
DUE TO OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>138</u>
TOTAL LIABILITIES	564,815	758,714
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,772,597	5,136,038
CASH IN DURING YEAR (NOTE 5)	0	0
CASH OUT DURING YEAR (NOTE 6)	1,400,000	1,750,000
NET INCREASE (DECREASE)	<u>246,102</u>	<u>386,559</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>2,618,699</u>	<u>3,772,597</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 3,183,514</u>	<u>\$ 4,531,311</u>

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State Investment Board Profit and Loss Statement For the Month Ended 6/30/2005

	Month Ended <u>6-30-05</u>	<u>Year-to-Date</u>
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 8,946	\$ 123,650
SECURITIES LENDING INCOME	2,193	17,784
	<u>11,139</u>	<u>141,434</u>
 GAIN ON SALE OF INVESTMENTS	 66,289	 432,908
LOSS ON SALE OF INVESTMENTS	<u>40,697</u>	<u>310,624</u>
 NET GAINS (LOSSES) INVESTMENTS	 25,592	 122,284
 INVESTMENT EXPENSES	 (70)	 9,076
SECURITIES LENDING EXPENSES	2,031	16,041
SIB ADMIN EXPENSES	<u>194</u>	<u>981</u>
 NET INVESTMENT INCOME	 34,576	 237,620
 NET APPREC (DEPREC) MARKET VALUE	 1,619	 8,364
MISCELLANEOUS INCOME/(EXPENSE)	<u>14</u>	<u>118</u>
 TOTAL INVESTMENT INCOME	 <u>36,209</u>	 <u>246,102</u>
 NET INCREASE (DECREASE)	 <u>\$ 36,209</u>	 <u>\$ 246,102</u>

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State Investment Board SUPPLEMENTARY INFORMATION As of 6/30/2005

	As of <u>6/30/05</u>
ASSETS:	
INVESTMENTS (AT COST)	
LARGE CAP EQUITY	\$527,820
SMALL CAP EQUITY	168,871
CONVERTIBLE BONDS	<u>(0)</u>
TOTAL DOMESTIC EQUITIES	696,690
INTERNATIONAL EQUITY	240,283
FIXED INCOME	1,332,720
INVESTED CASH (NOTE 1)	<u>254,366</u>
TOTAL INVESTMENTS (AT COST)	<u><u>\$2,524,059</u></u>

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Notes To Financial Statements
June 30, 2005

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 **DUE TO OTHER AGENCIES**

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 6 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.